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PM Shehbaz eliminates 0.25pc export surcharge

Directs EDF money must be spent on boosting competitiveness of Pakistani goods on world markets

By Mubarak Zeb Khan

ISLAMABAD: Prime Minister Shehbaz Sharif on Monday eliminated the 0.25 per cent Export Development Surcharge (EDS) to relieve exporters and boost Pakistan's competitiveness on international markets.

The decision was made during a meeting, chaired by the prime minister, during which proposals from a dedicated working group were reviewed. Among the key recommendations was the removal of the EDS to ease pressure on the export sector and strengthen its global competitiveness.

An official announcement from the Prime Minister's Secretariat said that the premier has directed the immediate abolition of the EDS imposed on domestic exports. He also directed the review of the Trade Development Authority of Pakistan for reforms and its revamp.

Earlier, the premier had constituted a dedicated Working Group on the Export Development Surcharge (EDS), led by convener Musadaq Zulqarnain. The group included private sector members Shahzad Saleem, Misbah Naqvi, Khurram Mukhtar, Arif Saeed, Ahmad Umair, and Sualeh Faruqi. State Minister for Finance Bilal Azhar Kiyani and Secretary Commerce Jawad Paul were also part of the group.

The terms of reference (TORs) of the group were to evaluate the efficacy of existing projects under the Export Development Fund (EDF) and propose measures to enhance the competitiveness of Pakistan's exporters. After extensive deliberations and consensus-building, the Working Group submitted its recommendations to the Prime Minister last week.

PM Shehbaz issued special directives for a third-party audit of the EDF for the past five years, in accordance with international standards. He emphasised that the fund must be utilised to enhance domestic exports, support related research and development, provide skill training to the sector's workforce, and provide world-class facilities. He added that any irrelevant or unjustified use of the fund would not be tolerated.

It was also decided that an interim steering committee, led by the private sector, will be constituted to ensure that the Rs52 billion currently available in the EDF is allocated strictly to projects that directly contribute to export enhancement. The projects should be carried out solely for R&D and skill development, and no money should be spent on infrastructure.

The matter of excessive taxation on exports was also raised during the meeting. It was highlighted that the effective tax burden on exporters is currently much higher than on domestic businesses.

Another Working Group, under the convenorship of Shahzad Saleem, has already submitted its recommendations on the tax burden on the export sector. The premier also instructed that a competent private sector chairman be appointed to ensure the optimal use of the fund's available resources.

He resolved to promote and market Pakistan's export products worldwide. He emphasised that providing maximum support to industrialists to enhance domestic exports is one of the government's top priorities.

Sugar turns costlier as govt curbs local supplies

Retail prices surge to Rs215 per kg

By Aamir Shafaat Khan

KARACHI: Sugar prices are continuing to rise, with many retailers charging Rs210-215 per kg, following a steady increase in wholesale rates amid the ongoing sugarcane crushing season.

The wholesale markets offer two types of sugar: imported superfine (powdered form) at Rs180 per kg, and locally produced thick-crystal sweetener at Rs204 per kg (or Rs10,200 per 50 kg bag).

According to the weekly data of the Sensitive Price Index (SPI), the price of sweetener in Karachi for the week ending Nov 20 was Rs195-200 per kg, up from Rs185-195 per kg on Nov 13.

Surprisingly, the wholesale and retail rates issued by the Commissioner Karachi on Sept 17 remain unchanged at Rs174 and Rs177 per kg, but unfortunately, these rates exist only on paper.

Karachi Wholesalers Grocers Association (KWGA) Chairman Rauf Ibrahim claimed that sugar was being retailed at Rs210-215 per kg. He expressed surprise that prices were creeping up amid the ongoing sugarcane crushing season, yet millers were not making deliveries.

On the contrary, a spokesperson for the Pakistan Sugar Mills Association (PSMA) attributed the price hike to the closure of FBR's sales track portal, restriction on inter-provincial movement and the sale of sugar through government-appointed dealers.

In a statement, he said the sugar industry had been warning the government that the closure of FBR sales portals would cause a supply shortfall, leading to higher prices.

The government, he added, continued to pressure millers to prioritise the sale of unnecessary and substandard imported sugar by restricting local sugar from reaching markets, thereby driving prices higher.

The spokesperson said the FBR sales-tracking portals are also closed in Sindh, so that imported sugar at Karachi Port could be sold first.

Ever since the government has been imposing curbs on the sugar industry, the supply of the commodity in the market has started decreasing, for which the industry is neither a beneficiary nor responsible, he stressed.

In Punjab, the district administration continued to force mills to sell sugar only to government-designated dealers, who sell it at higher rates in the markets.

The crushing season has begun at sugar mills across the country, and prices are likely to normalise with the arrival of new stocks in the markets. The PSMA has urged the government to lift unconstitutional and illegal restrictions on inter-provincial movement so that the commodity can reach every nook and corner of the country and is available at similar prices in all provinces, the spokesperson said.

PPL restores production at Adam West Field

KARACHI: Pakistan Petroleum Ltd (PPL) has restored gas production at the Adam West X-1 ST well in the Hala Block, District Matiari, following completion of workover operations that addressed a long-standing water breakthrough issue.

PPL, which operates the block with a 65 per cent working interest alongside joint-venture partner Mari Energies Ltd (35pc), confirmed that the sidetracked well has been tested at approximately 8.5 mmscfd of gas at a wellhead pressure of 540 psig on a 58/64" choke, said a press release on Monday.

The Adam West X-1 well originally discovered hydrocarbons in September 2014 in the Lower Goru formation and began production in June 2015. However, by 2019, excessive water inflow led to production declines and eventually its cessation.

Earlier efforts to isolate the water-producing zones were unsuccessful, and reservoir modelling later indicated that drilling a sidetrack was the only commercially viable solution.

The workover, which began in October, involved drilling a new sidetrack above the problematic lower intervals. According to PPL, the complex and high-risk operation required extensive planning.The company said the well will be connected to the Hala processing facilities soon after rig demobilisation.—APP

THE ADAM West well is producing 121 barrels per day of condensate, four million cubic feet of gas and 1.31 tonnes of liquefied natural gas.—Courtesy PPL

Ogra determines 7pc increase in gas prices

Semi-annual adjustments committed to IMF

By Khaleeq Kiani

ISLAMABAD: The Oil and Gas Regulatory Authority (Ogra) on Monday determined an increase of up to seven per cent (Rs118 per unit) in the prescribed natural gas prices to meet about Rs886 billion revenue requirement of the two gas companies during 2025-26.

In a determination sent to the federal government, Ogra worked out the average revenue requirement for Karachi-based Sui Southern Gas Company Ltd (SSGCL) at about Rs370bn — up from Rs354bn it was allowed in July — for the next fiscal year. As such, the regulator determined SSGCL's prescribed price at Rs1,777 per million British thermal unit (mmBtu), up from Rs1,659 per mmBtu, an increase of 7.11pc, or Rs118 per unit.

On the other hand, the regulator determined the revenue requirement for Lahore-based Sui Northern Gas Pipelines Ltd (SNGPL) at Rs516bn for FY2025-26 and set its final prescribed price at Rs1,853/- per mmBTU, about Rs87 per unit, or 5pc higher than the existing price of Rs1,766 per unit.

At the start of the fiscal year on July 1, the government had already increased fixed gas charges for all consumers by 50pc and up to 17pc increase in per unit gas sale rates for industrial, power and bulk consumers, envisaging around Rs85bn additional financial burden to consumers in FY26 to meet a structural benchmark of the IMF.

Based on Ogra's latest determinations, the government has to decide whether to increase consumer-end gas rates and, if so, by how much for each consumer category, or to further jack up fixed rates. The government has committed to "continue to notify semi-annual gas tariff adjustments as determined by Ogra. Gas tariff adjustments will continue to include the cost of imported RLNG", the finance minister had given to the IMF in writing.

The SNGPL and SSGCL had sought increases of more than 10.7pc and 7.6pc in their prescribed gas prices, respectively, to meet their revenue requirements for 2025-26, but the regulator worked out increases of 5pc and 7pc, respectively. Under the practice in vogue, the government notifies uniform natural gas rates across the country based on the higher prescribed price of any of the two utilities. As a result, the revenue difference between the two gas companies generates a gas development surcharge (GDS) to the provinces based on the location of the gas production.

The prescribed gas prices are revised twice a year under the law, following determinations by the Oil & Gas Regulatory Authority (Ogra), based on which the government sets consumer gas prices for various consumer categories.

The government has also committed to the IMF to provide timely biannual notifications of gas rates to avoid a further buildup of circular debt, which has already exceeded Rs3 trillion.

The Ogra asked the government "that all the categories of consumers should at least pay the average cost of service or the average prescribed price" that comes to Rs1,853 and Rs1,777 per mmBtu for SNGPL and SSGCL, respectively, to ensure the full cost of gas delivery. The government has, however, been setting different gas rates for various categories by imposing an extra-fiscal burden on middle-class and high-end residential, industrial, commercial, and power sectors through a cross-subsidy mechanism to ensure the revenue requirement determined by Ogra.

Under section 8 (3) of the Ogra law, the federal government is required to "advise the Ogra within 40 days" of the Ogra determination about the revision of prescribed prices, the minimum charges and the sale price for each category of retail consumers, for notification in the Official Gazette" provided that the overall increase in the average prescribed price remains unchanged so that the gas companies are able to achieve their total revenue requirements.

Water crucial to economic security

60MAF gap estimated by 2050 amid population surge, Senate body told

By Our Staff Reporter

ISLAMABAD: The country will require around 60 million acre feet (MAF) of additional irrigation water to meet food, energy and other needs of a population expected to reach 315 million by 2050, up from the current estimate of 251 million. The new water storage projects currently under development can provide 11.13MAF additional resource.

These details were shared during a meeting of the Senate Standing Committee on Water Resources on Monday, chaired by Senator Shahadat Awan.

The committee expressed concern that the Pakistan Space & Upper Atmosphere Research Commission (Suparco) had breached its privilege by failing to provide a report on more than 1,300 encroachments along riverbanks, despite repeated requests.

Water Resources Secretary Syed Ali Murtaza told the committee that the government was considering a reservoir on the Chenab River near Chiniot to manage flood flows from across the border. He said the feasibility study for the project had been completed.

A Wapda team, led by Member Water Syed Ali Akhtar Shah, informed the committee that dams currently under various stages of development would add about 11.13MAF of storage capacity. This includes 8.1MAF from Diamer-Bhasha and additional capacity from projects such as Mohmand, Kurram Tangi, Nai Gaj and Naulong.

Wapda officials said the Chenab River contributes roughly 23MAF annually, with its entire catchment area located in India. India can change flows into Pakistan through its existing and planned projects on the river.

Senator Awan expressed displeasure over the lack of coordination among federal and provincial bodies regarding encroachments on riverbeds. He directed the water resources secretary to ensure better coordination among all relevant authorities.

The committee also took strong notice of Suparco's non-compliance over the verification report on the removal of encroachments. The Senate Secretariat later said the committee chair, with the members' consent, decided to treat Suparco's non-compliance as a breach of the committee's privilege.

The committee was informed that Punjab had removed 1,790 encroachments out of a total 2,687, leaving 897 still in place.

Sindh had removed only six of 164. Khyber Pakhtunkhwa had cleared 126 of 377, reducing the number of remaining structures to 251. Balochistan reported no progress.

TCP issues rice tender

HAMBURG: The state-run Trading Corporation of Pakistan (TCP) has issued a tender to purchase 100,000 tonnes of rice for supply to Bangladesh, European traders said on Monday.

The deadline for submission of price offers is Nov 28.

Bangladesh also announced another rice tender on Monday, continuing a series of import tenders in the last few weeks to cool local prices.

The tender seeks long grain white rice. Price offers have to be valid for 21 working days after submission.

The rice must be available for shipment within 45 days calendar days after the contract award.

Traders regarded the tender as a possible move to bring Pakistani rice into Bangladeshs import supplies, with market expectations that Indian-origin rice will be used to supply some recent purchases by Bangladesh. —Reuters

Shipping framework with BD proposed

ISLAMABAD: Pakistan has proposed establishing a formal cooperation framework between the Pakistan National Shipping Corporation (PNSC) and the Bangladesh Shipping Corporation (BSC) to deepen maritime collaboration.

The proposal was presented by Maritime Affairs Minister Muhammad Junaid Anwar Chaudhry during a meeting in London with retired Brigadier General Dr. M. Sakhawat Hussain, an adviser on shipping for Bangladesh.

The proposal envisions a comprehensive partnership encompassing joint container and bulk shipping services, technical training programmes, cooperation on maritime safety and seafarer development, reciprocal port-call facilitation, and strengthened senior-level diplomatic and technical engagement.

The minister emphasised Pakistan's broader goal of building cooperative frameworks with Bangladesh through platforms such as the IMO and the International Labour Organisation (ILO) on seafarer-related matters, as well as relevant regional maritime groupings.

He highlighted KPT's expanding capacity, ongoing modernisation initiatives, and improved turnaround times as evidence of Pakistan's readiness to support regional trade flows. The minister said closer port-to-port collaboration could ease logistics challenges, reduce regional bottlenecks, and open new avenues for commercial integration across South Asia.

To sustain momentum, both sides noted that launching a Pakistan-Bangladesh Maritime Dialogue would be a structured platform for regular discussions on port development, shipping sector cooperation, the blue economy, fisheries, and other emerging maritime issues.—Staff Reporter

Stocks stay bearish as security concerns return

By Muhammad Kashif

KARACHI: After a bullish start, the Pakistan Stock Exchange (PSX) turned bearish on Monday, reflecting the extension of depressed sentiment from the weekend session as investors continued taking profits amid a deteriorating security situation and a lack of any positive triggers.

According to Topline Securities Ltd, the PSX remained largely range-bound throughout the session as investors maintained a cautious posture amid the expiry of November futures contracts.

Market sentiment was further dampened by concerns surrounding the law and order situation in Peshawar after a suicide attack on the Federal Constabulary headquarters, which exerted downward pressure on the index during the initial hours of trade.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
Thal Industries	57.00	PIA Holding CoB	256.99	PIA Holding	63.28
Shield Corporation	49.37	Unilever Foods	218.29	Beco Steel	34.91
Exide Pakistan	45.01	Supernet Techno	77.51	Bank Makramah	32.81
D.M. Corporation	24.63	Nestle Pakistan	52.77	Worldcall Telecom	29.82
Sapphire Fibres	23.45	ZIL Limited	42.84	K-Electric	28.81

(Share values in rupees)

* Volume in millions of traded shares

INDICATORS	Monday	Previous		Change
KSE 100-SHARE INDEX (Points)	161,984.09	162,102.92	▼	118.84
KSE 30-SHARE INDEX (Points)	49,161.36	49,178.66	▼	17.30
MARKET CAPITAL (Rs billion)	18,468.918	18,512.957	▼	44.039
TRADING VALUE (Rs billion)	23.666	28.644	▼	4.977

ACTIVITY	
Total listed	532
Active	477
Gainers	191
Losers	247

PARTICIPANTS	
Foreign	▲$0.77m
Companies	▼$4.18m
Banks	▲$4.39m
Mutual Funds	▼$3.86m
Individuals	▲$3.43m

Nevertheless, selective buying in the latter part of the session helped stabilise the benchmark at 161,984, after recording an intraday high of 162,385 and a low of 161,241. The benchmark KSE 100 index eventually settled at 161,984.09 points, down 118.84 points or 0.07 per cent.

Fauji Fertiliser, Engro Corporation, Pioneer Cement, Bank Al-Habib and Habib Bank drove the market upward, collectively contributing 499 points to the index. In contrast, Mari Energies, Oil and Gas Development Company, Meezan Bank, Pakistan Oilfield and Pakistan Petroleum emerged as the leading decliners, cumulatively subtracting 347 points.

Market participation weakened sharply as trading volume plunged 36.15 per cent to 490.3 million shares, while traded value fell 17.37 per cent to Rs23.66 billion. PIA Holding Company led the volume chart, recording 63.2m shares that changed hands.

Ali Najib, Deputy Head of Trading at Arif Habib Ltd, said the PSX experienced a neutral day, marked by muted volatility and limited directional movement, as investors awaited clearer signals on the first day of the rollover week.

On the corporate front, the Federal Cabinet approved the diversion of 24-29 surplus LNG cargoes from Qatar under the FY26 Net Proceed Differential (NPD) mechanism, following prior approval from the Economic Coordination Committee.

Analysts anticipate the market index will likely consolidate between 157,000 and 164,000 for the rest of the week. To ensure stability and lay a solid foundation for a potential rebound, the market must avoid a new low in the upcoming sessions.

US DOLLAR	BUYING Rs281.28	SELLING Rs281.65
EURO	BUYING Rs323.67	SELLING Rs326.57
GBP	BUYING Rs367.91	SELLING Rs371.21
UAE DIRHAM	BUYING Rs76.65	SELLING Rs77.39
KSA RIYAL	BUYING Rs74.97	SELLING Rs75.55
GOLD	TOLA Rs428,862	10 GMS Rs367,680